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**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**

**FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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A Professional Accounting Corporation

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**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**

**FINANCIAL STATEMENTS**

**JUNE 30, 2014**

# IBERIA ECONOMIC DEVELOPMENT AUTHORITY

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**INDEPENDENT AUDITORS' REPORT**

Board of Commissioners  
Iberia Economic Development Authority  
New Iberia, Louisiana

We have audited the accompanying financial statements of the governmental activities of the Iberia Economic Development Authority as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Iberia Economic Development Authority as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2015, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Lafayette, Louisiana  
January 6, 2015

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2014**

This section of the Iberia Economic Development Authority's (the Authority) annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2014. Please read it in conjunction with the transmittal letter at the front of this report and the Authority's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The Authority's total net position increased by \$1,271,043 or 441% over the course of this year's operations. Net position of governmental activities decreased \$73,505 or 92%.
- The governmental fund reported a \$6,523 fund balance at year end.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Authority:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Authority's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Authority government, reporting the Authority's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Authority's financial statements, including the portion of the Authority's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

	<b>Government-wide Statements</b>	<b>Governmental Funds</b>
Scope	Entire Authority government	The activities of the Authority that are not proprietary or fiduciary
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2014**

Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term debt included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter

**Government-wide Statement**

The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Authority's net position and how they have changed. Net position—the difference between the Authority's assets and liabilities—is one way to measure the Authority's financial health or position. Over time, increases or decreases in the Authority's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the Authority are considered to be governmental activities—the Authority's basic services and programs are included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the Authority's current year activities. Funds are accounting devices that the Authority uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law, while others may be required by bond covenants, special taxes, etc. The Authority has one kind of fund:

- Governmental fund —The Authority's basic services are included in governmental fund, which focuses on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statement provides a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. Because this information does not encompass the additional long-term focus of the government-wide statement, we provide additional information the subsequent page that explains the relationship (or differences) between them.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2014**

**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE**

**Table A-1**  
**Authority's Net Position**  
Governmental  
Activities

	<b>2014</b>	<b>2013</b>
Cash	\$ 9,317	\$ 83,433
Capital assets, net	1,552,792	208,244
Total assets	1,562,109	291,677
Current liabilities	2,794	3,405
Total liabilities	2,794	3,405
Net position		
Net investment in capital assets	1,552,792	208,244
Restricted	-	-
Unrestricted	6,523	80,028
Total net position	\$ 1,559,315	\$ 288,272

**Change in net position.** The Authority's total revenues increased \$1,310,793 (See Table A-2). Approximately 93 percent of the Authority's revenue came from capital grants and contributions and 7 percent from operating grants and contributions from the State of Louisiana. The total cost of all programs and services increased by \$67,775.

**Table A-2**  
**Changes in Authority's Net Position**  
Governmental Activities

	<b>2014</b>	<b>2013</b>
Revenues		
Program revenues		
Operating grants and contributions	\$ 102,070	\$ 71,841
Capital grants and contributions	1,280,000	-
General revenues		
Interest income	1,161	97
Other	-	500
Total revenues	1,383,231	72,438
Expenses		
Economic development	112,188	44,413
Total expenses	112,188	44,413
Increase (decrease) in net position	\$ 1,271,043	\$ (28,025)

**Governmental Activities**

Revenues for the Authority's governmental fund activities increased \$1,310,793, while total expenses increased \$1,414,322. This increase is attributable to a capital grant received from the State of Louisiana and the subsequent acquisition of land with the money received.



**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2014**

**FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS**

**General Fund Budgetary Highlights**

The main item in the Authority's budget was anticipation of the receipt of state capital outlay funds, used to purchase capital assets. Over the course of the year, the Authority revised the Authority's General Fund budget to adjust various revenues and expenses. With these adjustments, actual revenues were approximately \$24,969 less than final budgeted expenditures. Also, actual expenditures were approximately \$48,536 less than final budgeted revenues.

**CAPITAL ASSETS**

At June 30, 2014, the Authority has invested approximately \$1.5 million in land and equipment. (See Table A-3) This amount represents a net increase (including additions and deductions) of \$1,344,548 over last year.

**Table A-3**  
**Authority's Capital Assets**

Governmental Activities		
	2014	2013
Land	\$ 1,546,992	\$ 200,445
Equipment	9,995	9,995
Accumulated depreciation	(4,195)	(2,196)
Total	<u>\$ 1,552,792</u>	<u>\$ 208,244</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Authority's major sources of revenue for the general fund are comprised from State of Louisiana visitor enterprise funds. The Authority expects the visitor enterprise revenues to be consistent during fiscal year 2015. Additionally, the Authority has requested approximately \$1.1 million in local contributions and state capital outlay funds. These revenues are expected to be used for property purchase and development in Iberia Parish.

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Michael Tarantino, 101 Burke Street, New Iberia, Louisiana 70560.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**

**STATEMENT OF NET POSITION**

**JUNE 30, 2014**

**ASSETS AND DEFERRED OUTFLOWS**

**ASSETS**

Cash	\$ 9,317
Capital assets - non-depreciable	1,546,992
Capital assets - depreciable, net	<u>5,800</u>
	<u>1,562,109</u>

**DEFERRED OUTFLOWS**

-

TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>\$ 1,562,109</u></u>
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**LIABILITIES, DEFERRED INFLOWS, AND NET POSITION**

**LIABILITIES**

Accounts payable	<u>\$ 2,794</u>
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**DEFERRED INFLOWS**

-

**NET POSITION**

Invested in capital assets	1,552,792
Unrestricted	<u>6,523</u>
Total net position	<u>1,559,315</u>

TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	<u><u>\$ 1,562,109</u></u>
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See accompanying notes and independent auditors' report.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b><u>Functions</u></b>				
Economic development	<u>\$ 112,188</u>	<u>\$ 102,070</u>	<u>\$ 1,280,000</u>	<u>\$ 1,269,882</u>
<b><u>General Revenues</u></b>				
Interest income				<u>1,161</u>
Total general revenues				<u>1,161</u>
Change in net position				1,271,043
Net position - June 30, 2013				<u>288,272</u>
Net position - June 30, 2014				<u>\$ 1,559,315</u>

See accompanying notes and independent auditors' report.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**

**GOVERNMENTAL FUND**

**BALANCE SHEET**

**JUNE 30, 2014**

	General Fund
<b><u>ASSETS</u></b>	
Cash	\$ 9,317
TOTAL ASSETS	9,317
<b><u>DEFERRED OUTFLOWS</u></b>	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 9,317
<b><u>LIABILITIES</u></b>	
Accounts payable	2,794
TOTAL LIABILITIES	2,794
<b><u>DEFERRED INFLOWS</u></b>	-
<b><u>FUND BALANCE</u></b>	
Unassigned	6,523
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 9,317

See accompanying notes and independent auditors' report.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUND**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

Total Fund Balance at June 30, 2014 - Governmental Fund		\$	6,523
Cost of capital assets at June 30, 2014	\$	1,556,987	
Less: Accumulated Depreciation as of June 30, 2014		<u>(4,195)</u>	<u>1,552,792</u>
Total net position at June 30, 2014 - Governmental Activities		\$	<u>1,559,315</u>

See accompanying notes and independent auditors' report.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**

**GOVERNMENTAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>General Fund</u>
<b><u>REVENUES</u></b>	
Local sources:	
Grant income	\$ 29,621
Capital outlay match	275,000
State sources:	
State appropriation	72,449
State capital outlay	1,005,000
Interest income	<u>1,161</u>
 TOTAL REVENUES	 <u>1,383,231</u>
 <b><u>EXPENDITURES</u></b>	
Economic development	87,300
Capital outlay	<u>1,369,436</u>
TOTAL EXPENDITURES	<u>1,456,736</u>
 <b><u>EXCESS OF EXPENDITURES OVER REVENUES</u></b>	 (73,505)
 Fund balance, June 30, 2013	 <u>80,028</u>
 <b><u>FUND BALANCE, JUNE 30, 2014</u></b>	 <u>\$ 6,523</u>

See accompanying notes and independent auditors' report.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUND -**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Excess of Expenditures over Revenues - Governmental Fund			\$ (73,505)
Capital Assets:			
Capital assets purchased during the year ended June 30, 2014	1,346,547		
Depreciation expense for the year ended June 30, 2014	<u>(1,999)</u>	<u>1,344,548</u>	
Change in Net Position - Governmental Activities			<u>\$ 1,271,043</u>

See accompanying notes and independent auditors' report.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Iberia Economic Development Authority (the "Authority") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Authority are described below.

**Financial reporting entity:**

A financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**Primary Government-**

The Authority was created in 2008 as a result of the passage of Act No. 918 of the State Legislature, and is a political subdivision of the State of Louisiana. The Authority was created for the purpose of promoting, encouraging, and participating in industrial development to stimulate the economy through commerce, industry, and research and for the utilization and development of human resources of the Iberia Parish area by providing job opportunities. The Authority does not have any component units.

**Basis of Presentation:**

The Authority uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The minimum number of funds maintained by the Authority is consistent with legal and managerial requirements.

A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities.

The basic financial statements includes both government-wide (reporting on the government of the Authority as a whole) and fund financial statements (reporting the Authority's major fund). The Authority's activities include governmental activities only.

**Government-wide financial statements-**

The government-wide financial statements include a statement of net position and statement of activities. These statements report financial information about the Authority as a whole.

In the statement of net position, the governmental activities column is reported on the full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as any applicable long-term debt and obligations. The Authority's net position is reported in three parts: (1) invested in capital assets, net of related debt, (2) restricted net position, and (3) unrestricted net position. The Authority first utilizes restricted resources to finance qualifying activities.



**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A "function" is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses associated with a distinct functional activity. Program revenues includes: (1) charges for services which report fees, fines, and forfeits, and other charges to users of the Authority's services, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues. The Authority currently has no charges for services.

The Authority reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included as a direct expense of each function.

This government-wide focus is more on the sustainability of the Authority as an entity and the change in the Authority's net assets resulting from the current year's activities.

**Fund Financial Statements-**

The fund financial statements provide information about the Authority's fund, which is a governmental fund. The emphasis of fund financial statements is on the major individual governmental fund. The Authority reports the following major governmental fund:

**General Fund-** used to account for all financial resources traditionally associated with governments that are not required to be accounted for in another fund.

GASB statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis- for State and Local Governments," sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and proprietary funds combined) for the determination of major funds.

Application of the accrual basis of accounting may, at times, require use of certain private sector standards issued by the Financial Accounting Standards Board (FASB) prior to November 30, 1989. In determining which of those standards to apply, the Authority follows the guidance included in GASB Statement No. 62 – Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA.

**Basis of accounting – measurement focus:**

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements; measurement focus refers to what is being measured. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Government-wide financial statements-**

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

**Governmental fund financial statements-**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The reported fund balance (net current assets) is considered a measure of "available spending resources." Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spending resources" during a period. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collection within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditure driven grant revenues are recorded when the qualifying expenditures have been incurred and all other grant requirements have been met. All other receivables collected within 60 days after year end are considered available and recognized as revenue of the current year. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. General capital asset acquisitions are reported as expenditures in governmental funds.

**Cash and equivalents:**

Cash includes amounts in demand deposits and on hand. For purposes of reporting cash flows, the Authority considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Authority has no cash equivalents at June 30, 2014.

**Custodial Credit Risk:**

The Authority is exposed to custodial credit risk as it relates to their deposits with financial institutions. The Authority's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the Authority's name. Accordingly, the Authority had no custodial credit risk related to its deposits at June 30, 2014.

**Capital Assets:**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

**Government-wide financial statements-**

In the government-wide financial statements, acquisition of capital assets are accounted for as capital assets. All capital assets are valued at historical cost.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful life of the Authority's equipment is five years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**Fund Financial Statements-**

In the fund financial statements, acquisition of capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**Deferred Outflows and Deferred Inflows:**

The Authority has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the government's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period.

**Equity classifications:**

**Government-wide statements-**

**Net Position**

As mentioned in the above paragraph, the Authority has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. Inflows are, by definition, neither assets nor liabilities, the statement of net assets title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

Restricted net position reflects net position when there are limitations imposed on a net position's use by external parties such as creditors, grantors, laws or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows related to restricted assets. Liabilities and deferred inflows related to restricted assets include liabilities and deferred inflows to be liquidated with restricted assets and arising from the same resource flow that results in restricted assets.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

**Fund Financial Statements-**

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below in accordance with Governmental Accounting Standards Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Authority establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Authority through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, or for other purposes).

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

**Impairments:**

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Authority is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. The Authority recorded no impairment losses during the year ended June 30, 2014.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Use of Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reporting period. Accordingly, actual results could differ from those estimates.

**Adoption of New Accounting Standards:**

In addition to GASB Statement No. 63, the Authority has also implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities effective fiscal year 2014. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources, required by GASB Statement No. 63, as applied to the governmental fund statements. In addition to identifying which items should be reported in these new categories in proprietary fund, fiduciary fund, government-wide statements of net position and governmental fund balance sheets, GASB Statement No. 65 also identifies certain items previously reported as assets and liabilities that the GASB determined should be recognized as revenues, expenses, or expenditures when incurred and not reported in statements of net position/balance sheets.

**2. CAPITAL ASSETS AND DEPRECIATION**

Capital assets activity for the year ended June 30, 2014 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 200,445	\$ 1,346,547	\$ -	\$ 1,546,992
Capital assets being depreciated:				
Equipment	9,995	-	-	9,995
Less: accumulated depreciation	(2,196)	(1,999)	-	(4,195)
Total capital assets being depreciated, net	7,799	(1,999)	-	5,800
Total governmental activities capital assets, net	\$ 208,244	\$ 1,344,548	\$ -	\$ 1,552,792

Depreciation Expense for the year ended June 30, 2014 was \$1,999 and is reported as economic development expense in the statement of activities.

**3. PROMISSORY NOTE**

In June 2014, the Authority signed a promissory note with a local financial institution, in anticipation of future revenues. The note is paid to the Authority on a revolving line of credit basis up to the principal amount of \$50,000. The note has a 4.25% rate of interest and matures on June 11, 2015. As of June 30, 2014, the balance of the promissory note was zero.

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**4. COOPERATIVE ENDEAVOR AGREEMENT**

Effective October 2013, the Authority has a standing cooperative endeavor agreement with the Iberia Industrial Development Foundation (IDF) whereby IDF furnishes office and meeting space, supplies and equipment for the Authority. In turn, the Authority pays IDF \$2,500 per month. During the fiscal year ended June 30, 2014, payments to IDF related to this agreement totaled \$22,500.

Additional payments of \$10,000 related to property development and planning and \$15,000 related to grant program expenses were made to IDF during the year ended June 30, 2014.

**5. CONCENTRATION**

The Authority receives a majority of its revenue from the State of Louisiana visitor enterprise funds and capital outlay funds. The amounts are appropriated each year by state government. If significant budget cuts are made at the state level, the amount of funds received could be reduced significantly and have an adverse impact on the Authority's operations. Management is not aware of any actions that will significantly affect the amount of funds the Authority will receive in fiscal year 2015 relating to funding from the State of Louisiana.

**6. SUBSEQUENT EVENTS**

Management has evaluated events occurring after June 30, 2014 through January 6, 2015, the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**IBERIA ECONOMIC DEVELOPMENT AUTHORITY**

**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Revenues:</u></b>				
Local sources:				
Grant income	\$ -	\$ 35,000	\$ 29,621	\$ (5,379)
Capital outlay match	-	275,000	275,000	-
State sources:				
State appropriation	63,200	63,200	72,449	9,249
State capital outlay	2,090,000	1,035,000	1,005,000	(30,000)
Interest income	-	-	1,161	1,161
Other	-	-	-	-
Total revenues	<u>2,153,200</u>	<u>1,408,200</u>	<u>1,383,231</u>	<u>(24,969)</u>
<b><u>Expenditures:</u></b>				
Current -				
Economic development	53,200	88,200	87,300	900
Capital outlay	<u>2,100,000</u>	<u>1,320,000</u>	<u>1,369,436</u>	<u>(49,436)</u>
Total expenditures	<u>2,153,200</u>	<u>1,408,200</u>	<u>1,456,736</u>	<u>(48,536)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (73,505)</u>	<u>\$ (73,505)</u>
Fund balance, beginning			<u>80,028</u>	
Fund balance, ending			<u>\$ 6,523</u>	

See accompanying notes and independent auditors' report.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Iberia Economic Development Authority  
New Iberia, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Iberia Economic Development Authority (the Authority), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 6, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script, appearing to read "P&N", is written in black ink.

Lafayette, Louisiana

January 6, 2015